

Senate Bill No. 708

CHAPTER 392

An act to amend Section 11108 of the Commercial Code, relating to funds transfers.

[Approved by Governor September 19, 2012. Filed with
Secretary of State September 19, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 708, Corbett. Funds transfers.

Existing provisions of the Commercial Code governing certain funds transfers, cited as the Uniform Commercial Code—Funds Transfers, provide, among other provisions, that a funds transfer is completed by acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's payment order. Existing law excludes from the provisions of the Uniform Commercial Code—Funds Transfers those funds transfers governed by the federal Electronic Fund Transfer Act of 1978.

This bill would make the provisions of the Uniform Commercial Code—Funds Transfers applicable to a remittance transfer, as defined, but would continue to exempt a remittance transfer that is an electronic fund transfer, as defined under the federal act.

The people of the State of California do enact as follows:

SECTION 1. Section 11108 of the Commercial Code is amended to read:

11108. (a) Except as provided in subdivision (b), this division does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978 (Title XX, Public Law 95-630, 92 Stat. 3728, 15 U.S.C. Sec. 1693 et seq.) as amended from time to time.

(b) This division shall apply to a funds transfer that is a remittance transfer as defined in Section 1693o-1 of Title 15 of the United States Code, as amended from time to time, unless the remittance transfer is an electronic fund transfer as defined in Section 1693a of Title 15 of the United States Code, as amended from time to time.

(c) In a funds transfer pursuant to this division, if there is an inconsistency between the applicable provision of this division and the federal act, the applicable provisions of the federal act shall control to the extent of the inconsistency.